

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

VIAVI SOLUTIONS INC.,

Plaintiff,

v.

PLATINUM OPTICS TECHNOLOGY
INC.,

Defendant.

Case No. 21-cv-06655-EJD

**ORDER GRANTING MOTION TO
DISMISS**

Re: ECF No. 146

Before the Court is Defendant Platinum Optics Technology Inc.’s (“PTOT”) motion to dismiss Viavi Solutions Inc.’s (“Viavi”) Second Amended Complaint (“SAC”). ECF No. 146. For the reasons discussed below, the Court GRANTS PTOT’s motion.

I. BACKGROUND

This Court has previously provided a detailed summary of the relevant facts in its order granting PTOT’s motion for summary judgment. *See* ECF No. 142 (“MSJ Order”). The Court will briefly summarize the facts relevant to PTOT’s motion to dismiss here.

A. Procedural History

Viavi initiated this action arising under 35 U.S.C. § 271(b) on August 27, 2021, seeking a judgment that PTOT induced infringement of at least one claim of U.S. Patent Nos. 9,354,369 (the “’369 patent”)¹; 9,588,269 (the “’269 patent”); and 10,222,526 (the “’526 patent”). *See generally* ECF No. 1, Compl. On October 4, 2021, Viavi amended its complaint to include allegations of PTOT’s infringement of U.S. Patent No. 11,131,794 (the “’794 patent”). *See generally* ECF No. 21, Amended Complaint. On October 21, 2022, Viavi moved for leave to file a second amended

¹ Viavi has since voluntarily dismissed its claim with respect to the ’369 patent. *See* ECF No. 26.

complaint based on newly discovered information. *See* ECF No. 87. One week later, on October 28, 2022, PTOT filed a motion for summary judgment of non-infringement. ECF No. 89. On November 4, 2022, PTOT opposed Viavi’s motion for leave to amend. ECF No. 98.

On October 13, 2023, the Court granted Viavi’s motion for leave to file an amended complaint. ECF No. 141. On the same day, the Court also granted PTOT’s motion for summary judgment of non-infringement. ECF No. 142. Because the Court also granted Viavi’s motion for leave to amend to add allegations of direct infringement, the Court’s ruling on PTOT’s MSJ did not dispose of the case. *See id.* at 12.

B. Viavi’s Second Amended Complaint

On November 3, 2023, Viavi filed its SAC alleging PTOT is liable for direct infringement of the ’269 patent, the ’526 patent, and the ’794 patent (the “Asserted Patents”). SAC ¶ 4. The Asserted Patents generally relate to optical filters. *Id.* ¶ 5. The SAC alleges that, in September 2020, PTOT directly sent samples of wafers (hereinafter referred to as the “Accused Samples”) from Taiwan to Company.² *Id.* ¶ 23. Viavi alleges “upon information and belief” that these Accused Samples have the same design of “one example” of a PTOT filter Viavi previously accused of indirect infringement (“Previously Accused Filter”) in Viavi’s first amended complaint. *Id.* ¶ 27. The alleged difference between the Accused Samples and the Previously Accused Filter is the size. *Id.* Viavi attached to its SAC a claim chart comparing the claims of the Asserted Patents to the Previously Accused Filter. SAC, Ex. 14. Exhibit 14 does not chart the Asserted Patents to the Accused Samples. Rather, the SAC alleges that the Previously Accused Filter, as charted in Exhibit 14 to the SAC, “represents” the Accused Samples. *Id.* ¶¶ 36, 44, 52 (“the optical filter charted with respect to the Asserted Patents in Exhibit 14 represents a PTOT [Accused Sample] in the United States”).

Viavi seeks past and future compensatory damages, including lost profits and amounting to no less than reasonable royalties, prejudgment interest, and any other available damages based

² As with the MSJ Order, the Court will again refer to “Company” throughout this Order to maintain the confidentiality of the third-party company, which has been redacted from the parties’ filings.

under 35 U.S.C. § 284. *Id.* at 9 (“Prayer for Relief”). Viavi also requests an award of any other supplemental damages, including attorneys’ fees and costs incurred, pursuant to 35 U.S.C. § 285. Prayer for Relief ¶ 3. Viavi also alleges PTOT willfully infringed the Asserted Patents. SAC ¶¶ 40, 48, 56.

On November 17, 2023, PTOT filed the present motion to dismiss, which has been fully briefed. ECF Nos. 146 (“Mot”), 153 (“Opp.”), and 155 (“Reply”). The Court finds the Motion appropriate for decision without oral argument pursuant to Civil Local Rule 7-1(b). Having reviewed the parties’ submissions and relevant law, the Court GRANTS the motion with leave to amend.

II. LEGAL STANDARD

A motion to dismiss under Federal Rule of Civil Procedure 12(b)(6) tests the legal sufficiency of the claims alleged in the complaint. *Ileto v. Glock*, 349 F.3d 1191, 1199–1200 (9th Cir. 2003). Under Federal Rule of Civil Procedure 8, a complaint must include a “short and plain statement of the claim showing that the pleader is entitled to relief,” and may be dismissed under Rule 12(b)(6) if the plaintiff fails to state a cognizable legal theory or has not alleged sufficient facts to support such a theory. *Somers v. Apple, Inc.*, 729 F.3d 953, 959 (9th Cir. 2013). When deciding whether to grant a motion to dismiss, the court must generally accept as true all “well-pleaded factual allegations.” *Ashcroft v. Iqbal*, 556 U.S. 662, 664 (2009). The court must also construe the alleged facts in the light most favorable to the plaintiff. *See Retail Prop. Trust v. United Bd. of Carpenters & Joiners of Am.*, 768 F.3d 938, 945 (9th Cir. 2014) (“[The court] must accept as true all factual allegations in the complaint and draw all reasonable inferences in favor of the nonmoving party.”). However, “courts are not bound to accept as true a legal conclusion couched as a factual allegation.” *Iqbal*, 556 U.S. at 678.

The court usually does not consider material beyond the pleadings for a Rule 12(b)(6) motion. *Hal Roach Studios, Inc. v. Richard Feiner & Co.*, 896 F.2d 1542, 1555 n. 19 (9th Cir. 1989). Exceptions include material incorporated by reference in the complaint and material subject to judicial notice. *See Lee v. City of Los Angeles*, 250 F.3d 668, 688–69 (9th Cir. 2001).

An “element-by-element pleading standard for patent infringement . . . is unsupported and

1 goes beyond the standard the Supreme Court articulated in *Iqbal* and *Twombly*.” *Bot M8 LLC v.*
 2 *Sony Corp. of Am.*, 4 F.4th 1342, 1352 (Fed. Cir. 2021). Rather, “[t]he adequacy of the facts pled
 3 depends on the breadth and complexity of both the asserted patent and the accused product or
 4 system and on the nature of the defendant’s business activities.” *K-Tech Telecomms., Inc. v. Time*
 5 *Warner Cable, Inc.*, 714 F.3d 1277, 1286 (Fed. Cir. 2013). For a “simple technology,” a plaintiff
 6 may plausibly plead by providing the asserted patents, identifying the accused products “by name
 7 and by attaching photos of the product packaging,” and alleging the accused products meet “each
 8 and every element of at least one claim... either literally or equivalently.” *Disc Disease Sols. Inc.*
 9 *v. VGH Sols., Inc.*, 888 F.3d 1256, 1260 (Fed. Cir. 2018). However, “a plaintiff cannot assert a
 10 plausible claim for infringement under the *Iqbal/Twombly* standard by reciting the claim elements
 11 and merely concluding that the accused product has those elements. There must be some factual
 12 allegations that, when taken as true, articulate why it is plausible that the accused product infringes
 13 the patent claim.” *Bot M8 LLC*, 4 F.4th 1342 at 1353 (agreeing with the district court’s dismissal
 14 where the complaint’s allegations were conclusory, merely tracked the claim language, and did not
 15 present plausible factual content in support of infringement).

16 Even when a complaint provides sufficient factual statements, a plaintiff may still fail to
 17 plausibly state a claim where (1) the infringement allegation rests on an implausible claim
 18 construction, *Ottah v. Fiat Chrysler*, 884 F.3d 1135, 1141-42 (Fed. Cir. 2018), or (2) “the factual
 19 allegations are actually inconsistent with and contradict infringement.” *Bot M8 LLC*, 4 F.4th at
 20 1354.

21 **III. DISCUSSION**

22 **A. The SAC As Filed Compared to the Proposed SAC**

23 At the outset, and before reaching the merits, PTOT argues that Viavi’s SAC should be
 24 dismissed because Viavi “significantly changed and supplemented its direct infringement
 25 allegations relative to those presented in its proposed SAC” submitted with Viavi’s motion for
 26 leave to amend. Mot. 9. These changes, PTOT argues, violate Civil Local Rule 10-1, which
 27 requires that “[a]ny party filing or moving to file an amended pleading must reproduce the entire
 28 proposed pleading and may not incorporate any part of a prior pleading by reference.” *Id.* at 1

(citing Civ. L.R. 10-1). Viavi responds that the discrepancies between to the two versions of the complaints are appropriate in light of the Court’s MSJ Order on indirect infringement, and regardless, the substance of the as-filed SAC is the same as the proposed SAC. Opp. 5–6.

In granting Viavi’s motion for leave to amend its complaint, the Court granted “leave to file the SAC” and stated that “Plaintiff may not add new claims or parties without leave of the Court or stipulation by the parties pursuant to Federal Rule of Civil Procedure 15.” ECF No. 141 at 5. Recognizing the unusual procedural posture, the Court instructed that Viavi “may file the SAC pursuant to the Court’s Order granting leave to file an amended complaint and incorporating the Court’s ruling on this motion.” MSJ Order 2, n.3.

After reviewing the proposed SAC Viavi submitted with its motion for leave to amend (ECF No. 86-6) and the SAC as filed (ECF No. 143-4), the Court observes that Viavi’s as-filed SAC appears to include allegations beyond those necessary to comport with the Court’s MSJ Order. For instance, the SAC contains substantive revisions to allegations related to its *direct* infringement claims. Viavi’s direct infringement claims rely on its allegations that the Previously Accused Filters represent the Accused Samples, but no such allegations appear in the proposed SAC. Compare, e.g., SAC ¶¶ 36, 37, 44, 45 with ECF No. 86-6.

PTOT argues that the SAC should be dismissed “[f]or this reason alone.” Mot. 10. But beyond stating that it “would have raised many of the arguments [in its motion to dismiss] in its opposition to Viavi’s motion to amend,” PTOT does not state what arguments it would have raised or otherwise how it is prejudiced. Nevertheless, because the Court finds that Viavi has failed to plead direct infringement, the Court need not address this argument.

B. Direct Infringement

PTOT argues the SAC’s factual allegations are insufficient to plausibly state a claim for direct infringement. In particular, PTOT argues that (1) Viavi lacks a good faith basis to allege that the Accused Samples practice the elements of the asserted claims, including because Viavi never analyzed nor saw one of the Accused Samples; (2) Viavi offers no factual support to tie the Accused Samples to the charted, Previously Accused Filter; and (3) evidence cited in the SAC contradicts the direct infringement allegations. Mot. 11–15.

PTOT first argues that Viavi cannot plausibly allege that the Accused Samples infringe the asserted claims because Viavi has neither analyzed nor seen one of the Accused Samples. Mot. 12. Viavi does not dispute that it neither analyzed nor viewed one of the Accused Samples before filing the SAC. *See generally* Opp. Rather, Viavi argues that it could not have sought additional technical information about the Accused Samples prior to filing the SAC because “technical discovery on infringement issues was prohibited” and “PTOT strictly objected to providing information it deemed outside of the Court’s ‘permissible scope of discovery.’” *Id.* at 8. Viavi’s argument is unpersuasive because the record suggests that Viavi’s subpoena to Company extended beyond what Viavi considers the “permissible scope of discovery.” *See* ECF 97-12 at 5. Moreover, Viavi could have sought the Court’s permission to take additional, limited discovery regarding the Accused Samples.

Even without additional technical evidence, Viavi argues that the allegations that the Previously Accused Filter “represents” the Accused Samples and that the two products include the same design and filter stack is sufficient. Opp. 9, 11. Although Viavi “is not required to plead infringement on an element-by-element basis,” there must be “some factual allegations that, when taken as true, articulate why it is plausible that the accused product infringes the patent claim.” *Bot M8 LLC*, 4 F.4th at 1353 (internal quotations omitted). But even accepting all factual allegations as true, the SAC’s showing here falls short. Viavi has not pleaded factual allegations that articulate why it is plausible that the Accused Samples infringe the asserted claims.

First, other than alleging “on information and belief” that the Accused Samples have the same design and filter stack as the Previously Accused Wafer, the SAC lacks any factual allegations regarding its claims that PTOT infringed the *Accused Samples*. SAC ¶ 27. Moreover, the deposition testimony Viavi cites for this proposition does not sufficiently support its allegation that the two products are the same or can be treated the same under these circumstances. *See id.* ¶ 23; ECF No. 143-9 (“Lin Dep.”). The testimony does not compare the Accused Samples with the Previously Accused Filter, let alone discuss the specific Previously Accused Filter at all. Lin Dep. 126:12-17 (discussing differences between wafers and filters generally). Indeed, other portions of the cited testimony appear to undermine Viavi’s allegation that the Accused Samples

1 and the Previously Accused Filter can be treated the same. *Id.* at 127:2-25 (expressing doubt
2 regarding whether the wafer and filters are the same). Without some factual basis beyond
3 conclusory statements regarding their size to plausibly connect the Accused Samples with the
4 Previously Accused Filter, Viavi has not sufficiently plead direct infringement of the Accused
5 Samples.

6 Second, the Court is not convinced that Viavi’s reliance on the claim chart involving the
7 Previously Accused Filter—not presently accused—is sufficient to plausibly allege the Accused
8 Sample infringes the Asserted Patents. In *Power Density Sols.*, plaintiff attached to its complaint a
9 claim chart addressing “a single accused product” to support its infringement claims for multiple
10 accused products. *Power Density Sols. v. IBM Corp.*, No. 19-CV-03710-RS, 2020 WL 4876895,
11 at *1 (N.D. Cal. Mar. 20, 2020). IBM argued that “to the extent [plaintiff] intend[ed] to pursue
12 infringement with respect to any product other than the [the product in the claim chart], it ha[d]
13 not alleged a sufficient factual basis for such claims.” *Id.* The Court dismissed all claims of
14 infringement with respect to all accused products other than the one addressed in the claim chart.
15 *Id.* at *1, 4 (explaining that “more than vague, generalized, and conclusory assertions are
16 required”); *see also Golden v. Qualcomm*, No. 2023-1818, 2023 WL 6561044, at *2 (Fed. Cir.
17 Oct. 10, 2023) (affirming dismissal and finding complaint failed to sufficiently plead a claim for
18 direct infringement where “the complaint did not adequately explain *how* [the accused] products
19 infringe the asserted patent claims” and where underlying complaint attached claim charts
20 referencing unaccused products) (emphasis in original); *see also PlanetID, LLC v. Digify, Inc.*,
21 No. 19-cv-04615-JST, ECF No. 30 at 17 (N.D. Cal. Mar. 20, 2020) (dismissing infringement
22 claims where “the complaint and the attached charts lack[ed] factual allegations to raise the
23 reasonable inference that [defendant’s] products practice” the asserted patents).

24 Third, the SAC’s description in “narrative form” of “how the design of the [Accused
25 Samples] meets the asserted patent claim elements” do not help. Opp. 9. These paragraphs
26 simply recite the asserted claim elements and “merely conclude that the [Accused Samples] ha[ve]
27 those elements.” *Bot M8 LLC*, 4 F.4th at 1353. For example, paragraph 37 alleges that the
28 Accused Samples “represent one or more optical filters comprising a filter stack that has a

plurality of thin film hydrogenated silicon layers that have a refractive index greater than 3 over a wavelength range of 800 to 1100 nm, and a plurality of thin film lower refractive index layers that have a refractive index less than 3 over the wavelength range of 800 to 1100 nm.” SAC ¶ 37. This language mirrors claim 1 of the ’269 patent. *See* SAC ¶ 37, ’269 patent, claim 1. Paragraphs 45 and 53 likewise recite the asserted claims. *See id.* ¶ 45 (mirroring ’526 patent, claim 27); ¶ 53 (mirroring ’794, claim 9).

* * *

Even accepting Viavi’s allegations as true, the Court finds Viavi has not plausibly alleged that the Accused Samples infringe the Asserted Patents. Accordingly, the Court GRANTS PTOT’s motion to dismiss. Because the Court cannot say amendment would be futile, it will grant Viavi leave to amend.

C. Willful Infringement

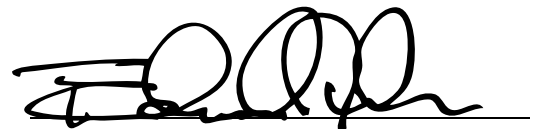
PTOT also moves to dismiss Viavi’s claims for willful infringement. Mot. 16. Because Viavi “has not sufficiently alleged direct infringement, the claim for willful infringement must also be dismissed.” *See Crandall Techs. v. Vudu, Inc.*, No. 20-cv-04849-VC, ECF No. 33, at *2–3 (N.D. Cal. Nov. 2, 2020).

IV. CONCLUSION

For the foregoing reasons, the Court GRANTS PTOT’s motion to dismiss with leave to amend. Viavi must file any amended complaint within 21 days of this Order.

IT IS SO ORDERED.

Dated: February 23, 2024



Edward J. Davila
United States District Judge